GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:898
ANSWERED ON:06.03.2007
CAPITAL INVESTMENT IN SMALL SCALE INDUSTRIES
Singh Deo Smt. Sangeeta Kumari

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the number of small scale industries closed during each of the last three years and current year, State and Union Territory (UT)-wise;

(b) the amount of capital invested in these closed industries and the amount of capital invested in all small scale industries during each of the last three years and current year, separately, State and UT-wise;

(c): the number of people who were employed in these closed industries during the said period, State and UT-wise;

(d): the number and details of various schemes launched by the Government to assist small scale sector;

(e): the details of the total grants/subsidies provided by the Government to small scale industries under various schemes during the said period, scheme-wise and State/UT-wise;

(f): whether despite the existence of many schemes, the Government has been unable to prevent the small scale industries from closer;

(g): if so, the reasons therefor; and

(h): the steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a):The information on year-wise closure of small scale industries

(SSIs) is not maintained centrally. According to results of the Third All India Census of SSIs with reference year 2001-02, out of 22,62,401 SSI units registered upto 31.03.2001, 39 per cent

(numbering 8,87,427) units were found closed. The State/UT-wise distribution of these closed units is given in the Annexure I enclosed.

(b) & (c):Based on the results of the Third All India Census, our estimates of the State/Union Territory-wise fixed investment made by all the SSIs during 2003-04, 2004-05 and 2005-06 (latest available) are given in Annexure II enclosed. Information on capital invested and people employed in the closed SSIs is not maintained centrally.

(d) & (e):Promotion and development of SSIs is primarily the responsibility of State Governments and Union Territory (UT) Administrations. To assist the States/UTs and supplement their efforts in this regard, the Central Government implements several schemes/programmes for promotion and development of SSIs. These, include, inter alia,
(i) facilitating availability of credit mainly through public sector banks/institutions,
(ii) assistance for (a) technology upgradation, (b) marketing, (c) integrated infrastructural development, (d) comprehensive need-based development of clusters, and
(iii) entrepreneurship development.

Further, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to facilitate the promotion and development of micro, small and medium enterprises and enhancement of their competitiveness. The Act has come into effect from 2nd October, 2006. In addition to the assistance provided under specific schemes by the Central Government for promotion and development of SSI, direct financial assistance or subsidy is provided to eligible SSI under various schemes which include:-

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